

## Message Text

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ACTION ARA-14

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FM AMEMBASSY TEGUCIGALPA  
TO SECSTATE WASHDC IMMEDIATE 810

LIMITED OFFICIAL USE TEGUCIGALPA 3152

EO 11652 N/A  
TAGS: BDIS, HO  
SUBJECT: CONGRESSIONAL INTEREST IN THE DEL WEBB CASE

REF: (A) STATE 167567, (B) STATE 155645, (C) TEGUCIGALPA 3062

1. EMBASSY RECEIVED JUNE 30 A MINISTRY OF FINANCE DOCUMENT ON DEL WEBB CASE WHICH REPRESENTS CONCRETE EVIDENCE THAT THE GOH HAS HAD THE COMPANY'S CLAIM UNDER SERIOUS CONSIDERATION. THE DOCUMENT'S LENGTH (19 PAGES) AND APPARENT COMPREHENSIVE TREATMENT OF THIS COMPLEX CLAIM INDICATE THAT IT HAS BEEN UNDER CONSIDERATION DURING MOST OF THE PERIOD SINCE JANUARY 1978 (WHEN DEL WEBB COMPLETED SUBMISSION OF THE CLAIM). THE DOCUMENT IS A QUOTE REPORT AND OPINION UNQUOTE PREPARED BY THE BUDGET DIRECTORATE WITH THE COLLABORATION OF LEGAL DEPARTMENT AND OTHER DEPENDENCIES OF THE MINISTRY OF FINANCE, FOR REVIEW AND DECISION BY THE MINISTER OF FINANCE. IT IS DATED MAY 22, 1978.

2. OWING TO THE DOCUMENT'S LENGTH AND LEGAL COMPLEXITY, THE EMBASSY WILL REQUIRE A WEEK OR MORE TO TRANSLATE AND ANALYZE IT. (COPY POUCH TO DEPARTMENT UNDER REGISTRY NO 259393 ON JUNE 30; REQUEST ARA/CEN CONFIRM RECEIPT AT COURIER POUCH CONTROL ROOM.) ON BASIS OF EMBASSY'S FIRST READING THE DOCUMENT PRESENTS, INTER ALIA, THE FOLLOWING ARGUMENTS:  
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A. AFTER A REVIEW AND ANALYSIS BY CONCERNED MINISTRY OFFICERS OF MOST IF NOT ALL OF THE GROUNDS CITED BY DEL WEBB AND OF CONTRACT PROVISIONS, NO LEGAL BASIS CAN BE FOUND FOR THE CLAIM;

B. IF THERE EXISTED GROUNDS FOR ADDITIONAL PAYMENTS OR DAMAGES, THE CONTRACTOR SHOULD HAVE SECURED COMPENSATION

PRIOR TO SIGNING A FINAL RELEASE OF THE GOH UPON CONTRACT COMPLETION;

C. ACCORDING TO SECTION 1.6.3 OF THE CONTRACT (GENERAL SPECIFICATIONS) DEL WEBB RENOUNCED ITS DOMICILE, SUBMITTED TO HONDURAS JURISDICTION, AND COMMITTED ITSELF NOT TO RESORT TO DIPLOMATIC SUPPORT FOR ANY CLAIMS.

3. THE MINISTER OF FINANCE HAS NOT YET ANNOUNCED HIS DECISION, BUT IT WOULD SEEM HIGHLY UNLIKELY, IN VIEW OF THE RECOMMENDATIONS OF THIS DOCUMENT, FOR HIM TO RULE IN FAVOR OF A FINANCIAL SETTLEMENT.

4. THE EMBASSY INVITES THE DEPARTMENT'S ATTENTION TO THE FACT THAT THIS IS THE FOURTH TIME IN THE PAST FIVE YEARS THAT DEL WEBB HAS SUBMITTED ITS CLAIM FOR CONSIDERATION. ON THE THREE PRIOR OCCASIONS THE GOH, AFTER APPARENTLY FULL REVIEW, CLEARLY RESPONDED THAT THE CLAIM WAS WITHOUT LEGAL FOUNDATION. HONDURAS HAS, IN THE FACE OF REPEATED RESUBMISSIONS BY THE COMPANY, PATIENTLY AGREED EACH TIME TO RECONSIDER. THE COMPANY HAS DECLINED, ON THE ADVICE OF ITS LOCAL ATTORNEYS TO PURSUE THE CASE WITH THE HONDURAS JUDICIARY. THE DEPARTMENT MAY WISH TO ATTEMPT TO CORRECT THE ERRONEOUS IMPRESSION APPARENTLY CONVEYED BY DEL WEBB TO CONGRESSMAN RUDD AND SENATORS DECONCINI AND INOUE THAT THE GOH HAS DONE NOTHING ON THE CLAIM IN SIX YEARS (SEE PARA LIMITED OFFICIAL USE

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TWO REFTEL A).  
JARAMILLO

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**TAGS:** BDIS, HO  
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